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INTELLIGENCE 25

FEB 1952 51-444

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION

SECRET
SECURITY INFORMATION

25X1A

INFORMATION REPORT

REPORT NO. [REDACTED]

CD NO.

COUNTRY

Austria/Hungary/Turkey

DATE DISTR. 15 August 1952

SUBJECT

Hungarian Demands on Steyrwerke for Ball Bearings

NO. OF PAGES

1

DATE OF INFO.

NO. OF ENCLS.
(LISTED BELOW)25X1A
PLACE ACQUIREDSUPPLEMENT TO
REPORT NO.

BY CABLE

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THIS IS UNEVALUATED INFORMATION

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1. On 5 August 1952 Bela Solti, Hungarian commercial attache in Vienna, told director Franz Grund of Steyr-Daimler-Puch that because of the latter's failure to deliver ball bearings to Hungary, the Hungarians will feel free to break their license agreement with Steyrwerke unless Director Grund agrees to allow the sale of Hungarian-made Steyr trucks to Turkey. Since 1948 this license has allowed the firm of Mogurt, Budapest, to manufacture Steyr "380" model trucks for sale in the satellite countries. Mogurt pays Steyrwerke a fixed sum yearly and Steyrwerke in turn is committed to supply certain spare parts, including ball bearings.

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2. Grund states that the former Steyrwerke representative in Istanbul, [REDACTED] is rumored to be in Budapest at present, negotiating for the delivery of Mogurt made trucks to Turkey. Grund finds it impossible to deliver enough ball bearings; however he will not concede the Hungarian demand which would result in Mogurt's underselling Steyrwerke Turkey and eventually agencies elsewhere.

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3. Steyrwerke plans no action now, but the issue will come up during the Austro-Hungarian trade talks scheduled to take place in Budapest on the 18 August, when ball bearing deliveries will be discussed.

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